

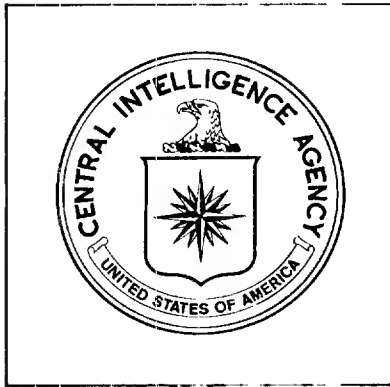
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STAFF NOTES:

Chinese Affairs

Top Secret

*Handle via TALENT-KEYHOLE-
COMINT Channels*

November 10, 1975
TCS No. 786/75

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CHINESE AFFAIRS

This publication is prepared for regional specialists in the Washington community by the East Asia - Pacific Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence and from the Directorate of Science and Technology. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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PLA Less Involved in Politics
but Problems Linger
[REDACTED]

25X1A

After an extended period of political jockeying, Chinese civilian and military leaders in the past year or so seem to have managed to forge a tentative modus vivendi. Residual mistrust exacerbated by contentious policy questions, however, leaves the durability of this arrangement open to some doubt.

This is the thrust of recent remarks made in strict confidence by [REDACTED]

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[REDACTED] comments are probably colored by his strong sympathies for the relatively pragmatic domestic and foreign policies associated with Premier Chou En-lai and Vice Premier Teng Hsiao-ping, and his views--as well as his harsh comments about some aspects of past Chinese policies--probably reflect those of the personalities now dominant in Peking.

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[REDACTED] expressed confidence that the party was in firm control of the army and was careful to point out that the army is solidly behind the policies of Teng Hsiao-ping. Indeed, he acknowledged that Teng had been personally responsible for the rehabilitation of a number of PLA officers who had come on hard times during the Cultural Revolution, including former chief of staff Lo Jui-ching.

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Teng's own appointment in January as chief of staff and the rebuilding of the high command with veterans who owe their return to the pragmatic coalition in charge in Peking is quite obviously the reason for [REDACTED] optimism. Moreover, there are no signs that the trend of the past two years of bringing back veteran cadres has abated. Just recently, three rehabilitated officials were appointed as deputy directors of the influential General Political Department (GPD). This shifts the balance among

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leading members of the GPD in favor of those who opposed leftist elements during the Cultural Revolution.

In the view of [REDACTED] however, the power game is not necessarily over. He maintained that the party has been able to control the army only because of the "loyalty and forbearance of a number of responsible people"--obviously in the military establishment itself. [REDACTED] went on to express his apprehension about officers within the military who want the army to retain a prominent political role.

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Ever since Lin Piao's alleged coup attempt in mid-1971, party leaders have sought, with considerable success, to divest the PLA of the formidable political clout it accumulated as a result of the Cultural Revolution. Despite the removal of many professional military men from leading civilian posts in the provinces and the unprecedented rotation in December 1973 of military region commanders out of their established power bases, there are signs that Peking is still uneasy about the military's political influence.

[REDACTED] said as much in discussing the dispatch this summer of PLA troops into Hangchow factories to quell worker unrest. He indicated that the decision was taken in Peking with much foreboding that it might be a first step toward an expanded military voice in civilian affairs. According to his account, it was largely pressure from the army itself, coupled with the absence of effective alternatives, that forced Peking to authorize PLA intervention.

This allusion to high level concern jibes well with other signs that civilian Chinese leaders want the PLA to keep its distance from civilian affairs. Senior Hong Kong cadres, for example, were informed in late October that Teng had said that the army should return to its primary role as a fighting force and all non-military tasks should be taken away from it.

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Leadership turnouts during the past couple of months have shown that Peking finds it necessary to keep up its efforts to whittle down the political power of the military in the provinces. Of late the focus seems to be at the military district levels where at least four commanders have been transferred. At a recent briefing in Canton, cadres were told that commanders and troops would be henceforth shifted periodically to prevent the re-emergence of "war-lordism."

Peking's commemoration of the 40th anniversary of the Long March this month seems to encapsulate Peking's ambivalent attitude toward the military. On the one hand the unprecedented glorification of the Red Army went some distance toward polishing up the image of the PLA as a whole. At the same time the media treatment clearly contained admonitions aimed at certain elements within the military establishment who may favor some measure of accommodation with the Soviet Union. In discussing foreign policy and without mentioning the army specifically, [REDACTED] implied that there are those in China who would like to see an improvement in relations with Moscow. [REDACTED] said that although China is currently fighting the Soviet Union "tooth and nail," this is "not necessarily" a permanent situation.

Turning to the question of military preparedness, [REDACTED] expressed concern that China was ill-equipped to meet the Soviet threat and took to task those within the leadership who oppose the modernization of the PLA. In an obvious swipe at the concept of a "people's war," [REDACTED] affirmed that the threat from the Soviets required a conventional response and there was no room for "guerrilla romanticism."

A debate over whether to modernize China's conventional forces or to invest more heavily in strategic arms has surfaced from time to time in the Chinese press over the past few years. The controversy seemed to become particularly strong during last year's anti-Confucius campaign.

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25X1X The debate appears to have come to a head at an enlarged meeting of the party's Military Affairs Commission last summer. Following the session, the Central Committee issued Central Document No. 18 which--
25X1X [REDACTED]--deals almost exclusively with streamlining the PLA's conventional capability. [REDACTED] seem to reflect this outcome in that he stressed China's need for more conventional arms and commented that advanced weapons had been too costly.

An article appearing in the *People's Daily* in early August made essentially the same argument, attacking unnamed figures who were said to advocate a significant increase in advanced weapons programs. The polemical tone of this lengthy article raises the possibility that Central Document No. 18 may not rest on as firm a consensus as its supporters would like. The stumbling blocks at this stage may not only involve the residual influence of the advanced weapons lobby, but also budgetary constraints and political sensitivities.

25X1X [REDACTED] appeared to be keenly aware of these obstacles. He claimed that the problem now was how to improve the PLA's military capabilities without appearing to go back on past doctrine and without too much expenditure. According to him there are always difficulties in "going back too quickly and too publicly" on decisions made by Chairman Mao. This was apparently an allusion to Mao's concept of a "people's war" strategy for defending China.

25X1X In discussing the expense involved in a modernization program, he remarked that this raised "serious economic questions" and implied that the Chinese leadership was still puzzling over the question of financing. One possibility which was discussed in Peking, [REDACTED] was the purchase of weapons technology abroad, possibly from the US.

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To the extent that [REDACTED] is accurately reflecting real concerns, such problems of implementation could provide openings for elements who would like to modify or reverse Directive 18.

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[REDACTED] seemed even less sanguine in reflecting on succession and the impact it might have on remaining frictions in civilian-military relations. As the old guard passes from the scene, he clearly implied, this relationship will undergo its severest test. (SECRET NOFORN/NOCONTRACT/ORCON)

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Learning from Tachai: Agricultural
Mechanization and Political Stability
[REDACTED]

25X1A

The month long national conference on learning from Tachai, China's agricultural model, ended in mid October and has received prompt provincial response. Provincial propaganda, including speeches by some provincial party chiefs, has followed closely the line set out in a speech on October 15 by Vice Premier Hua Kuo-feng, the party leader in charge of agriculture.

The main points in Hua's speech were:

- mechanization of agriculture is essential for the longer term goal of modernizing industry, defense, science, and technology;
- private plots larger than those permitted by party policy should be cut back, with the excess land turned back to the commune for collective farming;
- at least 100 Tachai-type counties should be established annually for the next five years, one feature of a Tachai-type county being a steady improvement in the living standards of commune members;
- another national agricultural conference will be held in five years to discuss the sixth five-year economic plan (China is scheduled to begin its fifth five-year plan next year).

On the political front, Hua said responsibility for building Tachai-type counties rests with county party officials and warned that political factionalism should not be allowed to impede

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agricultural development. Hua suggested that local officials who persist in factionalism be transferred out of the area "as soon as possible" but that local officials who have merely made mistakes should be re-educated not transferred. He called for annual "rectification" campaigns by local party organs to prevent political errors and ordered that those who engage in speculation, bribery, and theft be punished by law.

Provincial response to the conference, while following closely the economic guidelines, has used the occasion to call for unity and stability and to condemn persistent factionalism. The new leader of Yunnan Province urged all people to work together to modernize agriculture regardless of which faction they belong to. Politburo member Wei Kuo-ching, newly transferred to Kwangtung as party boss, used his maiden address to warn the traditionally independent-minded people of that province against arbitrarily changing policies established by the Central Committee or by the provincial leadership.

Most provinces have called for studying the speeches at the conference made by vice premiers Teng Hsiao-ping, Hua Kuo-feng and Chen Yung-kuei, who himself hails from Tachai. Kwangsi Province even mentioned a speech, otherwise not reported, by female Vice Premier Wu Kuei-hsien. Interestingly, not a single province has so much as mentioned the "important speech" by Chiang Ching made at the opening of the conference but not published. (CONFIDENTIAL)

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Promoting Pyongyang
[REDACTED]

25X1A

Peking has pulled out virtually all of the stops in its support of the pro-Pyongyang resolution during UN debate on the Korea question this year. China's objective is clearly to highlight the solidarity of Sino - North Korean interests, especially in contrast with what Peking describes as Moscow's duplicity and deceptive designs on Pyongyang. Nevertheless, the Chinese have not closed the door to eventual adjustments on the Korea question.

It has been clear for some time that Peking's essential concern in Korea has been to build the kind of relationship with Pyongyang that would help block any improvement in Soviet influence there. In order to satisfy the objective, the Chinese have had to soft-pedal differences with the North Koreans.

But there are differences. Peking has long viewed disarray on the Korean Peninsula as inimical to its interests because of the possibility it could lead to Soviet "meddling" there. As a result, the Chinese have urged a cautious course on Pyongyang, most importantly by discouraging Kim Il-song from taking a more aggressive posture on the issue of Korean reunification. Moreover, the Chinese are persuaded that North Korean military action against the South would lead to complications for Peking in its dealings with Tokyo, especially if the Japanese saw a need for rearmament in the wake of North Korean actions. Nevertheless, the Chinese have increased their diplomatic support to the North Koreans over the past year or so in order to gain Pyongyang's confidence and, perhaps, in exchange for North Korean assurances that force will not be used against the South.

The presence of US troops in the South could be the crux of any differences. The North Koreans

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demand the elimination of the US presence. The US and Seoul have insisted that the UN Command cannot be dissolved until other means of enforcing the armistice have been created.

Peking has expressed opposition, "in principle," to the presence of foreign troops in other countries. The Chinese have made it clear, however, that they will not object to a continued US military role in countries where "special circumstances" exist--for example, Japan, Thailand, the Philippines. Behind this view is the Chinese belief that hasty US withdrawals could result in Soviet attempts to "fill the vacuum," and the Chinese have implied privately that the same considerations influence their attitude toward the US military presence in South Korea.

Despite such implicit Chinese support for a continuing US military role in Asia, Peking has felt compelled to provide firm public support of Pyongyang's case in the UN. At the UN, both Foreign Minister Chiao Kuan-hua and UN Chief Delegate Huang Hua have characterized the US presence in South Korea as the key issue in any solution of the problem, and both have expressed strong support for the resolution that calls for the removal of these troops. Huang used unusually tough language in his denunciations of the US, describing as "downright deception" attempts to keep troops in the South and, for the first time in three years at such a high level, accusing the US of "armed provocations" against the North. Both Huang and Chiao dismissed as "impractical" Secretary Kissinger's recent proposal to call a conference to discuss ways of preserving the armistice.

The Chinese in the UN were at least as tough on the Soviets with regard to the Korea question. Huang accused Moscow of hypocrisy in its attitude toward Korean reunification and charged that the

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Soviets were, in fact, attempting to "create two Koreas." Huang's comments marked the first time that the Chinese had used the UN forum to criticize Moscow's position on the Korea issue. Outside the UN, the Chinese press has also drawn attention to Moscow's "flirtation" with Seoul, which Peking described as part of Soviet attempts to sabotage Korean reunification and to increase its influence in North Asia.

In order to draw greater contrast between their own and Moscow's intentions in Pyongyang, the Chinese this year buttressed their UN statements with forceful commentary on the 25th anniversary of the entry of Chinese "volunteers" into the Korean war. The focus of these comments was on the historical importance of Korea to China's security. In a joint editorial marking the anniversary, Peking asserted that the US had intended to invade China when it "launched" the war in Korea and that the Korean people's successful struggle "safeguarded the security of China." Speaking at an anniversary banquet in Peking, Politburo member Chen Hsi-lien made similar comments. These remarks are clearly designed to demonstrate the importance the Chinese attach to close relations with Pyongyang.

Despite all the rhetoric, the Chinese have not painted themselves into a corner on the Korea question. As in the past, Peking has not attached any special urgency to its call for the withdrawal of US forces in the South but has focused in a generalized way on the "unreasonableness" of the US position. NCNA's account of the General Assembly First Committee voting on the Korea question--both the pro-Pyongyang and the pro-Seoul resolutions were approved--was remarkably low-key and suggests the possibility of eventual Chinese adjustments on the issue. Criticism of the US role in the voting was limited and the harshest comments

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were saved for the Soviets. The article concluded with a prediction that neither "superpower" will be able to obstruct "a reasonable solution" to the Korea question, a hint that future negotiations may be required in order to reach a solution.

Another consideration that the Chinese almost certainly must be taking into account is President Ford's scheduled visit to Peking. The full General Assembly will probably take up the Korea matter next week and heated debate could develop if both resolutions are voted on by that body. Chinese leaders probably are persuaded that it would be prudent to avoid another bitter exchange on Korea just days before President Ford's trip to China. In fact, Huang Hua last week said that Peking would accept a proposal that the General Assembly simply approve the First Committee report without either debating or voting on the two separate resolutions. This procedure would enshrine the pro-Pyongyang resolution in the UN record, but would not result in any clear cut solution of the question, a development that almost certainly would satisfy Peking. (CONFIDENTIAL NOFORN)

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Two Strikes on Wang
[REDACTED]

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For the second time this year, stories are making the rounds in China that young party vice chairman Wang Hung-wen has failed to come up with an adequate answer to important questions put to him by Mao. In both instances, the man who supplied the right answer was Teng Hsiao-ping, although one version of the story credits Chang Chun-chiao with providing the satisfactory response.

The most recent account, reportedly transmitted in a Central Committee document, is of a conversation in which Mao asked Wang and Teng for their opinions about what China would be like in the next decade. Wang's response was upbeat, saying that people would continue to give prominence to Mao's thought. Teng, on the other hand, took a darker view, warning that changes must be made now to improve the people's living conditions in order to avert future problems. Mao reportedly agreed with Teng's assessment and told Wang to learn from that response. Another version has Chang Chun-chiao responding in much the same vein as Teng, with Mao expressing his dissatisfaction with Wang's reply and ordering him to undergo re-education in Shanghai.

Wang has not appeared in Peking since May but has appeared in Shanghai on two occasions. Reports that he has been in nearby Chekiang Province since July supervising the restoration of order in that troubled area are beginning to wear a bit thin in light of his prolonged absence from the capital and the stories now circulating about him--obviously at Peking's initiative, given the apparent inclusion of one version in a central document.

The current story is almost an exact replica of an alleged earlier discussion in which Mao re-

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portedly asked Teng and Wang how to handle the Chekiang situation. On that occasion, too, Teng's answer showed a greater understanding of the complexities of the situation and Wang was admonished by Mao to study Teng's response.

Wang's alleged answers seem almost overly simplistic, perhaps a contrivance by Peking to show that, despite his rapid rise in the party hierarchy, Wang has much to learn before he is competent to handle the diverse and complex problems facing China. In this, he is a perfect foil for the vastly more experienced Teng, whose answers leave little doubt that he is capable of running the country after Mao's death and that he has Mao's support. That one version of the story substitutes Chang Chun-chiao for Teng may not be an accident. Chang stands a good chance to succeed Teng over the longer term.

The fact that these stories are circulating widely in rumor form suggests they are a gauge of the Chinese people's assessment of the three men. Based on these stories, it would appear that the populace would be far more comfortable with Teng and later Chang as leaders in the post-Mao era, largely because they appear to be more sensitive and responsive to the needs of the people.

More importantly, Peking's apparently deliberate role in portraying these men in such a manner says much about their relative political standing. Teng and Chang, obviously, are doing very well, but Wang Hung-wen's status within the hierarchy seems to have slipped. (SECRET NOFORN/NOCONTRACT)

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Education: Dissatisfaction with Inaction
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Concern that the current education system is inadequate for China's needs, first voiced by Premier Chou En-lai at the National People's Congress in January, reportedly was reiterated in more specific terms in a recent speech by Minister of Education Chou Jung-hsin. The minister's criticism focused mainly on the educational reforms of the Cultural Revolution, reforms initiated at Mao's behest that emphasized politics at the expense of academic training.

University educators have long complained about the poor quality of entering students, the lack of attention to studying basic scientific theory, and the inordinate amount of time spent discussing political issues. Chou Jung-hsin echoed these complaints and summed up the shortcomings of current educational policy by saying that university students, who ideally should be both "red" (thoroughly familiar with communist doctrine) and "expert" in their chosen fields, are neither.

Although problems with the education system have long been recognized, very little has been done about them over the years. Lack of progress on this issue is due in part to the highly political nature of educational policy--any changes in the Cultural Revolution reforms have been staunchly opposed by the party's left wing--and perhaps by some uncertainty over where Mao stands.

Mao's current position is becoming more clear. It appears that he is now prepared to endorse changes in the reform program that he himself introduced during the Cultural Revolution. According to stories circulating in Shanghai, Mao believes that university education must be improved and that students

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need not study political theory in college but can learn it at work. Chou Jung-hsin, in his speech, claimed that Mao had ordered a symposium to be held in 1974 on the need to increase the study of basic scientific theory in the universities and, in that same year, instructed that some high school graduates be admitted directly into the universities without first spending a few years working in the rural areas.

Not surprisingly, the physicist who chaired the symposium was subsequently attacked, undoubtedly by party left wingers, and none of the local officials responsible for university enrollment responded to Mao's offer to accept high school graduates directly into some universities.

Chou Jung-hsin's speech linking Mao to proposed improvements in the education system has apparently been disseminated throughout China. This firmer fix on Mao's views toward higher education may bolster efforts to improve the situation in the universities, which remain the weakest link in China's stated goal of modernizing agriculture, industry, defense, and science and technology. The key to modernizing science and technology is to improve academic training in the universities. Steps have been taken toward modernization in the other areas, but thus far very little has been done to improve the sorry state of China's universities.

In addition to Mao's backing for changes in the education system, which would provide short term justification for making improvements in that area, there are signs that Peking is trying to ensure that education be kept out of the hands of party left wingers over the longer term. Politburo member Chang Chun-chiao, who probably favors improvement in the academic field, recently met with the Venezuelan minister of education, suggesting that the powerful Chang may have added education to his

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growing list of responsibilities.

The high level attention devoted to problems in that area, Mao's own approval for changes, and Chang Chun-chiao's possible involvement are all signs that the logjam on educational policy may soon be broken. (SECRET NOFORN/NOCONTRACT)

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West Germany: No Wrinkles in the Red Carpet
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West German Chancellor Schmidt's recently concluded state visit to China, which he has declared a "success," was carefully stage-managed by the Chinese. Schmidt postponed his scheduled visit early this year after the Chinese gave a high level reception to Schmidt's arch conservative political rival Franz-Josef Strauss. The postponement clearly dismayed the Chinese who began working immediately to improve Sino-German relations and to smooth the way for the rescheduled state visit. During the spring, summer, and early fall, the Chinese:

- ordered their embassy in Bonn to expand contacts with Schmidt's Social Democratic Party;
- expedited preparations in Peking for a German technical exhibition, the largest and best attended foreign exhibition ever held in China;
- completed negotiations for a Sino-German aviation and maritime agreement and for the establishment of a joint economic commission so that formal signing ceremonies could take place during Schmidt's visit;
- gave Franz-Josef Strauss more routine treatment during his second visit to Peking in September;
- showed keen interest in expanding German imports while talking of modifying China's raw material export policy to allow sales of some coal and oil to West Germany.

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During his five-day stay in China, Schmidt had ceremonial meetings with Mao and with National People's Congress Chairman Chu Teh and was accorded the honor of being the first Western government head to visit Sinkiang Province on the Sino-Soviet border. The chancellor had indicated apprehension that public differences over East-West detente might mar his visit and give political ammunition to his critics at home--a concern that was undoubtedly heightened in the wake of Secretary Kissinger's visit. But he came away openly pleased with Chinese awareness of his sensitivities in this regard.

Vice Premier Teng Hsiao-ping gave heavy play to anti-Soviet, anti-detente themes in his welcoming speech but made no direct attacks on German Ostpolitik. Teng apparently took the same tack in private discussions with the West Germans and his farewell speech was most noteworthy for its ringing endorsement of European unity rather than any anti-superpower vitriol. The absence of a communique on Schmidt's departure was somewhat puzzling: a formal joint statement might have been expected on the initial visit by the head of such an important government and there were some indications that initial plans called for one. Some friction over wording may have arisen during preliminary discussions between the two sides, and mutual agreement may have been reached to dispense with a communique rather than risk a second postponement of the visit--a development both Peking and Bonn undoubtedly wanted to avoid. In any event, both sides pointed to the signing of the maritime and aviation agreements and the establishment of the joint commission as evidence of the visit's success and of warming bilateral relations.

The Chinese may soon realize some welcome returns for their hospitality. On the same day that Schmidt arrived in China, Bonn announced that it favored Peking in its dispute with Taipei over ownership of some real estate in West Berlin.

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The move adds substance to rumors that Bonn would not block a Chinese request to establish a consulate in West Berlin. Recent reports have indicated that Bonn may also be actively considering Peking's request for permission to post Chinese military attaches in West Germany. Peking has been pushing for action on both questions for nearly two years, recognizing that either step would irritate Moscow and provide further proof of China's expanding ties with Western Europe. (SECRET NOFORN/NOCONTRACT/ORCON)

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CHRONOLOGY

- September 1 Politburo member Yao Wen-yuan meets in Peking with visiting Thai journalists. (U)
- October 23 Import-export agreement signed with visiting Guyana trade mission. (U)
- Italian Communist Party delegation headed by Central Committee member Manlio Dinucci begins "friendly visit." (U)
- October 24 Malaysian delegation, led by Agriculture Minister Abdul Ghafa, concludes "friendly visit" to China and departs Peking for Kuala Lumpur. (U)
- October 24-30 Chinese trade delegation led by Vice Minister of Foreign Trade Chen Chieh visits Pakistan. (U)
- October 25 1976 trade protocol signed. (U)
- China and North Vietnam sign agreement in Peking on "mutual supply of goods and payments" in 1970. (U)
- October 26 Burmese industrial delegation arrives in Peking; meets with Vice Premier Li Hsien-nien on October 31. (U)
- October 28 Ministerial level postal and telecommunications delegation departs for Algeria. (U)
- Delegation headed by Vice Minister of Communications Tseng Sheng departs for inter-governmental maritime conference in London. (U)

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- October 28 Politburo member Wei Kuo-ching identified as new first secretary of Kwangtung Province. (U)
- October 29- West German Chancellor Helmut Schmidt
November 2 pays state visit to China; meets with Mao on October 30; departs via Sinkiang Province. (U)
- October 30 Equatorial Guinea trade delegation headed by Foreign Minister Bonifacio Nguema Esono arrives in Peking. (U)
- October 31 Public health delegation headed by Public Health Minister Liu Hsiang-ping departs for visits to Albania, Algeria, and Yugoslavia. (U)
- November 3 Mexican scientific delegation begins official visit. (U)
- A delegation of the Chinese People's Association for Friendship with Foreign Countries departs for visit to Pakistan, Afghanistan, and Sri Lanka. (U)
- Chinese Foreign Ministry spokesman issues statement concerning October 20 incident along the Sino-Indian border. (U)
- Pakistani agricultural delegation led by Minister of Food and Agriculture arrives in China. (U)
- November 4 Sino-Bulgarian scientific and technical commission meets in Sofia, signs protocol. (U)
- November 5 Sino-Hungarian scientific and technical commission meets in Belgrade, signs protocol. (U)

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November 5 Trade agreement signed with Gambia.
(U)

China and Fiji agree to establish
diplomatic relations. (U)

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